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7 June 1966

SUBJECT: MAHEU, Robert A.

1. Robert A. Maheu, a personnel relations executive and former F.B.I. Agent, has been utilized by the Office of Security on many sensitive assignments since the early fifties. He has also on several occasions been cleared for use by the DD/P in various capacities. He does business as Robert A. Maheu, Associates, and maintains offices in Washington, D.C., and Los Angeles, California, where he is now residing.

2. It has come to our attention that the Senate Subcommittee investigating wiretapping activities (Long Committee) has expressed considerable interest in Maheu. He has never been asked to perform any technical surveillance on our behalf.

3. The first inkling we had that the Long Committee was interested in Maheu came to our attention through the OGC. Mr. Lawrence Houston advised that Walter Yeagley, Assistant Attorney General, Internal Security Division, had casually mentioned to him that he had been advised by Raymond A. Taggart, an AID employee, that he may be called upon to testify before the Long Committee regarding his activities while employed by Maheu (1954-55).

4. The only significant association the Agency had with Maheu during that period involved the struggle between two Greek industrial giants, Stavros Niarchus and Aristottle Onassis. Maheu had been retained as a trouble shooter for Niarchus. Onassis had just concluded a pact with King Saud which would allow him to control approximately 90 percent of the oil shipments out of Saudi Arabia. In consumating the deal, he allegedly employed every trick in the book. His achievement caused much consternation among the British, German, and American interests. Niarchus also realized as a result of this the balance of power and influence weighed heavily in

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favor of Onassis in their own private battle. It was this mutual concern of the United States and Niarchus that set the stage for a joint venture. Niarchus supplied the money, personnel, and documents; the Agency furnished the communications, courier facilities, and direction in the form of our Commo channel, pouch system, and the NEA Division's expertise and guidance.

5. Spyridon Catapodis, a Greek Broker, who had an ax to grind against Onassis as a result of being manipulated out of a handsome commission he believed due him for his intercession with certain Saudi officials to secure oil rights for Onassis, spearheaded a campaign to publicize Onassis' high-handed methods of operation. This triggered off all sorts of international litigations which erupted into suits and countersuits by all parties concerned. Of particular note was the case of Catapodis vs. Onassis, which suit was filed in New York State. While Niarchus was being examined before trial by Onassis' attorney, he claimed Government privilege in answering certain questions. This tact was challenged by the attorney and pursued to the point that eventually it was recorded in the briefs filed by both the plaintiff and the defendent that CIA was, in fact, the Government agency of interest. Close coordination was maintained during this period with Justice and State. At our request a representative of the U. S. Attorney's Office in New York monitored all of the Hearings. Mr. Houston is intimately familiar with the actions in this case, and copies of his memoranda pertinent to it are contained in his files.

6. The Security file on Subject contains a Covert Security Clearance issued 16 August 1954 at the request of NE/2, Att: William Miller, for Maheu's use on Project TWIXT. Other interested DD/P personnel were identified as William F. Rowland, Acting Chief, NEA Division; George Prussing; Walter Snowden; and Charles Williamson.

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7. Mr. Maheu was contacted to determine whether the Committee had been in touch with him. He stated he was not aware of their interest in him. When the Taggart conversation was mentioned, he promptly replied that it must be the Onassis operation they are looking into. He recalled that he had Onassis' New York office "covered" sometime during the period. John Frank, a

former staff employee, and then a private investigator, was engaged to arrange for the coverage. Maheu could only identify the technician by the name of Leon. Presumably, this coverage was done as a routine technique to keep the Niarchus interests informed on Onassis' movements. This was not initiated at the request of any Agency component so far as our records indicate.

8. Subsequently, Maheu advised he had received a message from one of the Committee's attorneys named Homme who wanted to fly out to talk with him. Maheu fended him off by saying he was tied up for the next several days. He then contacted his attorney, Edward P. Morgan, of Washington, D. C., and it was decided that Morgan would meet him in St. Louis on 24 May for a conference.

9. On Thursday morning, 26 May, Maheu called to advise that he was at the Madison Hotel, Washington, D. C., and was anxious to talk with us. At his request it was arranged to have Colonel Edwards accompany a member of this office to meet with him.

10. Maheu opened the conversation by announcing that he had been selected to be the star performer on a planned TV hearing which is scheduled to open within the next few weeks. He went on to give the basis for this statement in the following detail.

> When he first talked to Ed Morgan of the possibility of his being subpoenaed, Morgan assured him that he had nothing to be concerned about inasmuch as he was a very close friend of Senator Long's personal attorney who had considerable influence upon the Senator. The lawyer resides in St. Louis, and he suggested that they both go out and solicit his assistance. After the presentation of the facts, all three flew to Washington where the lawyer secured an appointment with the Senator. Mr. Bernard Fensterwald was in attendance at the meeting. He identified himself as the Chief Attorney for the Committee. According to Maheu, Fensterwald made it clear that Maheu was their ace in the hole and without him the Hearings would have no appeal. He implied that Maheu's clients and their opposition added

up to a very attractive package. Such headliners as Niarchus, Onassis, Dave McDonald, and Howard Hughes are hard to come by. Fensterwald further referred to Maheu as the type who employed the technique of cutting the Government in just enough on his touchy operations to permit him to hide behind their skirts if he were caught. It is the opinion of the lawyer that, unless the Senator can be convinced to the contrary, he will proceed with plans on schedule.

11. Maheu's most active account and, at this time, almost exclusive client is Howard Hughes. In the past he did considerable work for Dave McDonald, former president of the United Steel Workers. So far as this office knows, the Agency never had any interest in either of these clients. However, it should be noted that the IO Division was granted a Covert Security Approval on 4 June 1959 to approach Maheu and advise him of the Agency's interest in international labor. Maheu claims he never became involved in any "bugging" operation for either of these accounts.

12. It is not believed that Maheu wants or expects us to front for him in the Onassis tap matter. As mentioned previously, to our knowledge this was not Agency sponsored. However, if exploited, it would probably eventually lead to exposing our part in the Onassis/Niarchus feud. As it is a matter of court record, it could not be denied nor buried. Even though the details might be protected by a declaration that it involved classified operational information, it would set up a field day for the press and critics of the Agency.

13. Mr. Maheu is presently furnishing cover for a DODS staff agent in his Washington, D. C., office. In this connection, two of Maheu's employees have been cleared and witting. Other clearance actions noted were: CSA granted FI/Plans, Cover Division on 30 August 1954 for use under LPHIDDEN; CSA issued to NE Division on 7 October 1959 for Maheu's use in the United States and (Jordan) 11 inasmuch as he may be employed by (the King of Jordan) to handle (Jordanian) public relations in the United States. 24
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14. In 1958-59, Maheu was used by the FE Division in two sensitive operations targeted against Sukarno. Mr. Allen Dulles was aware and approved of these operations. Mr. Joseph Smith who was then Chief/PMI, is knowledgeable of the actions.

15. While none of our interests in Maheu relate to wire-tapping, it is evident that the extensive and diversified use of him makes us vulnerable to exploitation should he be interrogated in depth regarding his activities.

16. Mr. Maheu is maintaining a cooperative attitude and has promised to do all in his power to protect the Agency from embarrassment or compromise.